

**Successor Agency to the Dissolved
Montebello Redevelopment Agency
Low and Moderate Income Housing Fund**

**Agreed-upon Procedures Report
Pursuant to Health and Safety Code Sections 34179.5 and 34179.6 (AB 1484)**

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Montebello Redevelopment Agency
Agreed-upon Procedures Report**

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Table of Contents

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	1
 ATTACHMENTS	
Attachment A Agreed-upon Procedures	2
Attachment B Summary of Results	10
Attachment B-1 List of Assets of the Low and Moderate Income Housing Fund as of June 30, 2012	15
Attachment B-2 List of Assets That Are Not Cash and Cash Equivalents	16
Attachment B-3 List of Asset Balances Dedicated for Funding of Enforceable Obligations	17
Attachment B-4 Calculation of Current Balances for Retention to Meet Enforceable Obligations	18
Attachment B-5 Summary of Balances Available for Allocation to Affected Taxing Entities	19

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**Oversight Board
Successor Agency to the Dissolved Montebello Redevelopment Agency
City of Montebello
1600 W. Beverly Boulevard
Montebello, CA 90640**

We have performed the agreed-upon procedures enumerated in Attachment A, which we have been advised were developed by the California Society of Certified Public Accountants and generally agreed to by the California State Controller's Office and Department of Finance, solely to assist you in ensuring that the Successor Agency to the dissolved Montebello Redevelopment Agency (Successor Agency) is complying with certain statutory requirements with respect to Health and Safety Code Sections 34179.5 and 34179.6, as they apply to the Low and Moderate Income Housing Fund of the Successor Agency. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures as set forth in Attachment A, as they apply to the Low and Moderate Income Housing Fund of the Successor Agency.

Attachment B identifies the results of the procedures performed.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment B. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency to the dissolved Montebello Redevelopment Agency, and applicable State agencies, and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Vasquez + Company LLP

**Los Angeles, California
September 27, 2012**

List of Procedures for Due Diligence Review

Citation:

34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

Suggested Procedure(s):

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Citation:

34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Suggested Procedure(s):

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Suggested Procedure(s):

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconcile balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

Suggested Procedure(s):

4. Perform the following procedures:
 - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency (the Schedule of Financial Transactions) in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of the Schedule of Financial Transactions for information purposes.

- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers account fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the Schedule of Financial Transactions relevant to the fiscal year ended June 30, 2010 to the State Controller's Report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the Schedule of Financial Transactions for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Citation:

34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) A statement of the total value of each fund as of June 30, 2012.

Suggested Procedure(s):

- 5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Citation:

34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

Suggested Procedure(s):

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
 - A. Unspent bond proceeds:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
 - B. Grant proceeds and program income that are restricted by third parties:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
 - C. Other assets considered to be legally restricted:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
 - D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Citation:

34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

Suggested Procedure(s):

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Citation:

34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

Suggested Procedure(s):

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (Schedule of Asset Balances) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The Schedule of Asset Balances should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
 - i. Compare all information on the Schedule of Asset Balances to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedules (ROPS) approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
 - i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.

- iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
 - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
 - i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Citation:

34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Suggested Procedure(s):

- 9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Citation:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

Suggested Procedure(s):

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Attachment B
Successor Agency to the Dissolved
Montebello Redevelopment Agency
Summary of Results

The results of the procedures performed on the Low and Income Moderate Housing Fund, as described in Attachment A, are as follows:

Citation:

34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

Procedure No. 1 Results

Per the Agreed-Upon Procedures (AUP) report issued by Moss, Levy & Hartzheim LLP dated May 7, 2012, the former redevelopment agency transferred assets totaling \$22,205,148 on February 1, 2012 to the successor agency. This amount is net of accounts payable of \$43,513 and includes fully depreciated office equipment with total cost of \$27,225.

Below is the list of assets that were transferred by the former agency to the successor agency as reported in the AUP report:

Type	Amount
Cash	\$ 11,220,290
Cash with fiscal agent	3,651
Due from other funds	8,956,665
Land held for resale	2,040,830
Machinery and equipment	27,225
Total	22,248,661
Less accounts payable	(43,513)
	<u>\$ 22,205,148</u>

The above balances were agreed to the Successor Agency's trial balance as of February 1, 2012.

Citation:

34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Procedure No. 2 Results

- 2A The successor agency asserted that there were no transfers made by the Low and Moderate Income Housing Fund or the successor agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012.
- 2B The successor agency asserted that there were no transfers made by the Low and Moderate Income Housing Fund to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012.
- 2C This procedure is not applicable. See notes under 2A and 2B.

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Procedure No. 3 Results

- 3A The successor agency asserted that there were no transfers made by the Low and Moderate Income Housing Fund or the successor agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012.
- 3B The successor agency asserted that there were no transfers made by the Low and Moderate Income Housing Fund to any other public agency or to private parties for the period from February 1, 2012 through June 30, 2012.
- 3C This procedure is not applicable. See notes under 3A and 3B.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconcile balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

Procedure No. 4 Results

Procedure 4 is not applicable to the Low and Moderate Income Housing Fund.

Citation:

34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) Statement of the total value of each fund as of June 30, 2012.

Procedure No. 5 Results

The balances in Attachment B-1 were agreed to the Low and Moderate Income Housing Fund trial balance as of June 30, 2012, without exception.

Citation:

34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

Procedure No. 6 Results

The successor agency asserted that the Low and Moderate Income Housing Fund assets did not include the following as of June 30, 2012:

- 6A Unspent bond proceeds
- 6B Grant proceeds and program income that are restricted by third parties
- 6C Other assets considered to be legally restricted

Procedure 6D is not applicable because the Low and Moderate Income Housing Fund did not have unspent bond proceeds, grant proceeds and program income that are restricted by third parties and other assets considered to be legally restricted.

Citation:

34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

Procedure No. 7 Results

- 7A Refer to Attachment B-2. All the assets were valued at cost.
- 7B The land held for resale was valued at purchase cost. The total amount was traced and agreed to the June 30, 2011 audited financial statements of the former redevelopment agency. The housing deferrals were agreed to the accounting records of the successor agency. No exceptions noted.
- 7C This procedure is not applicable. We noted no differences in 7B.
- 7D This procedure is not applicable. All assets listed in 7A were valued at cost.

Citation:

34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

Procedure No. 8 Results

- 8A Presented in Attachment B-3 is the list of asset balances that management asserted need to be retained to satisfy enforceable obligations with the corresponding outstanding housing bond obligations (the bonds) as of June 30, 2012. Under the Indenture, the former Montebello Redevelopment Agency has pledged Housing Set-Aside Revenues for the payment of the principal of and interest on the bonds.
- 8B Not applicable.
- 8C Not applicable.
- 8D Presented in Attachment B-4 is the calculation of the amount of current balances necessary for retention in order to meet the enforceable obligations.

Citation:

34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Procedure No. 9 Results

Not applicable. All the cash balances as of June 30, 2012 are pledged for the payment of the outstanding housing bonds payable. See also 8A above.

Citation:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

Procedure No. 10 Results

Refer to Attachment B-5.

Attachment B-1
Successor Agency to the Dissolved Montebello Redevelopment Agency
List of Assets of the Low and Moderate Income Housing Fund
As of June 30, 2012

<u>Type</u>	<u>Amount</u>
Cash	\$ 2,202,036
Cash with fiscal agent	3,651
Investments	<u>6,852,000</u>
	\$ <u><u>9,057,687</u></u>

Note:

Per Procedure No. 5, the above list includes only the assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012. Housing assets that were transferred to the Housing Successor Agency are not included in the above list.

Attachment B-2

Successor Agency to the Dissolved Montebello Redevelopment Agency
List of Assets That Are Not Cash or Cash Equivalents
As of June 30, 2012

<u>Assets That Are Not Cash or Cash Equivalents</u>	<u>Amount</u>	
	<u>Housing</u>	<u>Non-Housing</u>
Due from the General Fund	\$ 1,143	\$ -
Land held for resale	2,040,830 *	-
Housing deferrals:		
Montebello Hills housing deferral	6,516,982 *	-
Receivable from a developer	1,300,505 *	-
SERAF 2010-2011	<u>1,139,178 *</u>	<u>-</u>
	<u>\$ 10,998,638</u>	<u>\$ -</u>

*Reported in the Housing Asset Form submitted to the California State Department of Finance in August 2012.

Attachment B-3
Successor Agency to the Dissolved Montebello Redevelopment Agency
List of Asset Balances Dedicated for Funding of Enforceable Obligations
As of June 30, 2012

Type	Dedicated Amount	Nature of Dedication	Language in Legal Document
Cash	\$ 2,202,036	Housing set-aside revenues were pledged for the payment of the following housing bond debt service obligations totaling \$20,064,196.	
		1997 Housing Tax Allocation Bonds Series B	\$ 3,643,042
Cash with fiscal agent	3,651		Housing Set-Aside Revenues are pledged to the payment of principal of, premium, if any, and interest on the Bonds pursuant to the Indenture.
		2002 Housing Tax Allocation Parity Bonds	9,824,188
Investments	6,852,000		The Housing Set-Aside Revenues are pledged to the payment of principal and Accreted Value of and interest on the Bonds, the 1997 Bonds and any parity debt pursuant to the Indenture.
		2007 Tax Allocation Parity Refunding Bonds Series A	6,596,966
			Under the Indenture, the Agency has pledged Housing Set-Aside Revenues for the payment of the principal of and interest on the Bonds.
	<u>\$ 9,057,687</u>	Total	<u>\$ 20,064,196</u> (a)

(a) Agreed with the approved ROPS for the six month period July 1, 2012 through December 31, 2012; this amount includes principal and interest payment schedule.

Attachment B-4
Successor Agency to the Dissolved Montebello Redevelopment Agency
Calculation of Current Balances for Retention to Meet Enforceable Obligations
As of June 30, 2012

Resources available to fund enforceable obligations

Dedicated asset balances

Cash	\$	2,202,036	
Cash with fiscal agent		3,651	
Investments		<u>6,852,000</u>	
Total			\$ 9,057,687

Forecasted annual revenues		<u>-</u>
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Total resources available to fund enforceable obligations		<u>9,057,687</u>
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Enforceable obligations

Housing bond obligations

1997 Housing Tax Allocation Bonds Series B	\$	3,643,042	
2002 Housing Tax Allocation Parity Bonds		9,824,188	
2007 Tax Allocation Parity Refunding Bonds Series A		<u>6,596,966</u>	
Total			20,064,196

Forecasted annual spending requirements		<u>-</u>
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Total enforceable obligations		<u>20,064,196</u>
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Net balance			\$ <u><u>(11,006,509)</u></u>
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Attachment B-5

Successor Agency to the Dissolved Montebello Redevelopment Agency
Summary Of Balances Available For Allocation To Affected Taxing Entities
Low and Moderate Income Housing Fund
As of June 30, 2012

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$ 9,057,687
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	-
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	(9,057,687)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	-
Amount to be remitted to county for disbursement to taxing entities	\$ -

